



Southwestern Electric Power Company

P. O. BOX 1106 - SHREVEPORT, LOUISIANA 71156

RECORDATION NO. 10108
Filed 1425

FEB 13 1979 -3 35 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Gentlemen:

February 13, 1979
RECORDATION NO. 10108
Filed 1425

FEB 13 1979 -3 35 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 10108
FEB 13 1979 -3 35 PM
INTERSTATE COMMERCE COMMISSION
9-0144

FEB 13 1979
Fee \$120.00
ICC Washington, D. C.

RECORDATION NO. 10108
Filed 1425

FEB 13 1979 -3 35 PM

INTERSTATE COMMERCE COMMISSION

Enclosed herewith for filing and recording, pursuant to 49 U.S.C. §11303, are eight (8) executed copies of the following documents:

1. Conditional Sale Agreement dated as of January 1, 1979, among Thrall Car Manufacturing Company, Cason Car Corporation and Southwestern Electric Power Company;
2. Agreement and Assignment dated as of January 1, 1979, between Thrall Car Manufacturing Company and Mercantile-Safe Deposit and Trust Company, as Agent;

Lease of Railroad Equipment dated as of January 1, 1979, between Cason Car Corporation and Southwestern Electric Power Company; and

Assignment of Lease and Agreement dated as of January 1, 1979, between Cason Car Corporation and Mercantile-Safe Deposit and Trust Company, as Agent.

The foregoing documents relate to the purchase and financing of 242 100-ton (4,000 cu. ft.) high-side steel gondola cars with swivel couplers, the car numbers of which are listed in Exhibit A attached hereto.

Enclosed is our check in the amount of \$120 in payment of the applicable recording fees.

Please deliver five (5) counterparts, each bearing recordation data with respect to the filing pursuant to the provisions of 49 U.S.C. §11303, to the bearer of this letter.

RECEIVED

FEB 13 3 20 PM '79

I.C.C.
RECORDATION BR.

Don D. (copy)

(1 Counterpart)

Interstate Commerce Commission
February 13, 1979
Page Two

For your records, the names and addresses of the parties to the several instruments are as follows:

Mercantile-Safe Deposit and Trust Company, as Agent
P. O. Box 2258
Baltimore, Maryland 21203
Attention: Corporate Trust Department ✓

Cason Car Corporation
c/o The Corporation Trust Company
P. O. Box 631
100 West Tenth Street
Wilmington, Delaware 19801
Attention: Joseph A. Barbera

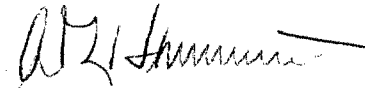
Thrall Car Manufacturing Company ✓
P. O. Box 218
Chicago Heights, Illinois 60401
Attention: Vice President - Finance

Southwestern Electric Power Company
428 Travis Street
P. O. Box 21106
Shreveport, Louisiana 71156
Attention: Treasurer

Very truly yours,

SOUTHWESTERN ELECTRIC POWER COMPANY

By


A. G. Hammett, III

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

2/13/79

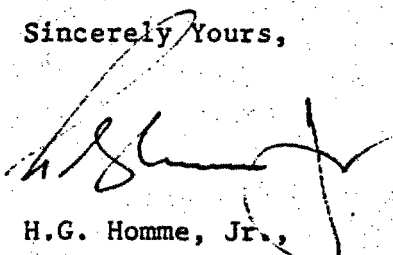
OFFICE OF THE SECRETARY

A.G. Hammett, III
Southwestern Electric Power Company
P.O.Box 1106
Shreveport, Louisiana 71156

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 2/13/79 at 3:35pm ,
and assigned recordation number(s) 10108, 10108-A, 10108-B & 10108-C

Sincerely Yours,


H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

2710108-A
RECORDATION NO. Filed 1425

FEB 13 1979 -3 35 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of January 1, 1979

between

THRALL CAR MANUFACTURING COMPANY

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

as Agent

AGREEMENT AND ASSIGNMENT dated as of January 1, 1979 between THRALL CAR MANUFACTURING COMPANY (hereinafter called the Builder) and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting as Agent (hereinafter called the Assignee) under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement).

WHEREAS, the Builder, CASON CAR CORPORATION (hereinafter called the Vendee) and SOUTHWESTERN ELECTRIC POWER COMPANY (hereinafter called the Lessee) have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement) covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (hereinafter called the Equipment); and

WHEREAS, the Vendee and the Lessee have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) providing for the lease to the Lessee of the Equipment and any Replacement Units (as defined in the Conditional Sale Agreement), and the Vendee and the Assignee have entered into an Assignment of Lease and Agreement dated as of the date hereof (hereinafter called the Lease Assignment) assigning for security purposes certain of the Vendee's rights in, to and under the Lease to the Assignee as further security for the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement);

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called this Assignment) WITNESSETH THAT, in consideration of the sum of One Dollar and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

SECTION 1. The Builder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) All the right, title and interest of the Builder in and to each unit of the Equipment;

(b) All the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment; the right to receive the payments specified in the third paragraph of Article 3 thereof, in the first paragraph of Article 4 thereof and in the last paragraph of Article 15

thereof; and reimbursement for taxes paid or incurred by the Builder under Article 6 thereof), in and to any and all amounts which may be or become due or owing under the Conditional Sale Agreement on account of the indebtedness in respect of the aggregate Purchase Price (as defined in the Conditional Sale Agreement, but excluding any portion thereof constituting Financing Costs as defined in Paragraph 20 of the Finance Agreement) of the Equipment and interest and premium, if any, thereon and in and to any other sums becoming due from the Vendee or the Lessee under the Conditional Sale Agreement other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Builder's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse, however, against the Builder for or on account of the failure of the Vendee or the Lessee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder to sell and deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements contained in Article 14 of the Conditional Sale Agreement or relieve the Vendee or the Lessee from their respective obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 15 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee and the Lessee with the terms and agreements on their parts to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder covenants and agrees that it shall construct the Equipment in full accordance with the

Conditional Sale Agreement and will deliver the same upon completion to the Vendee or its duly appointed agent in accordance with the provisions of the Conditional Sale Agreement; and that notwithstanding this Assignment, it will perform and fully comply with each and all of the covenants and conditions of the Conditional Sale Agreement to be performed and complied with by the Builder. The Builder further covenants and agrees that it will warrant to the Assignee, the Vendee and the Lessee that at the time of delivery of each unit of the Equipment under the Conditional Sale Agreement it had legal title to such unit and good and lawful right to sell such unit and that title to such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease; and the Builder further covenants and agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee or its duly appointed agent under the Conditional Sale Agreement until the Conditional Sale Agreement and the Lease have been filed and recorded in accordance with 49 U.S.C. §11303 (1978).

SECTION 3. The Builder covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest or premium, if any, on, indebtedness in respect of the aggregate Purchase Price of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee and/or the Vendee, as appropriate, from and against all expense (including without limitation counsel fees), loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, sale, delivery or warranty thereof or arising by reason of any other indebtedness or liability at any time owing to the Vendee, the Assignee or the Lessee by the Builder. Any and all such obligations shall be and remain enforceable by the Vendee or the Lessee or their respective successors and assigns against and only against the Builder or its successors and assigns and shall not be enforceable against the Assignee or any person or persons in whom title to the Equipment, or any unit thereof, or any of the rights of the Builder under the Conditional

Sale Agreement shall vest by reason of this assignment or of successive assignments or transfers. The Assignee will give notice to the Builder of any suit, proceeding or action by the Assignee herein described, and shall promptly move or take other appropriate action, on the basis of Article 15 of the Conditional Sale Agreement, to strike any defense, set-off, counterclaim or recoupment asserted by the Vendee or the Lessee therein; and if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, set-off, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee shall promptly notify the Builder of any such defense, set-off, counterclaim or recoupment asserted by the Vendee or the Lessee or its successors and assigns and thereafter give the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, set-off, counterclaim or recoupment.

Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees to indemnify, protect and hold harmless the Assignee and/or the Vendee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee and/or the Vendee or their successors and assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee from which liability may be charged hereunder, and the Builder shall have the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. The Builder will cause to be plainly, distinctly, permanently and conspicuously marked on each side of each unit of the Equipment, at the time of delivery thereof under the Conditional Sale Agreement, in letters not less than one inch in height, the words:

"CASON CAR CORPORATION, LESSOR, SUBJECT TO A
SECURITY AGREEMENT FILED UNDER THE INTERSTATE
COMMERCE ACT."

SECTION 5. The Assignee, on each Closing Date as provided in Article 4 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 4) of the Equipment, shall pay to the Builder an amount equal to the aggregate invoiced Purchase Price (as defined in said Article 4, but excluding any Financing Costs) of the Group then being settled for; provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee), as provided in Article 15 of the Conditional Sale Agreement and at least five Business Days prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) A bill of sale, dated such Closing Date, from the Builder to the Assignee transferring and assigning to the Assignee its security interest in the units of the Equipment in such Group and warranting to the Assignee, the Vendee and the Lessee that at the time of delivery of such units under the Conditional Sale Agreement the Builder had legal title to such units and good and lawful right to sell such units and that title to such units was free of all claims, liens, security interests and other encumbrances of any nature, except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease, and covenanting to defend the title to such units against the demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the Conditional Sale Agreement;

(b) A Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 3 of the Conditional Sale Agreement and Section 2 of the Lease;

(c) A Closing Certificate dated such Closing Date, signed by the President or a Vice President of the Lessee, substantially in the form attached hereto as Annex A;

(d) An invoice or invoices of the Builder to the Vendee for the units of the Equipment in such Group accompanied by or having endorsed thereon a

certification by the Lessee as to its approval thereof;

(e) An opinion, dated such Closing Date, of Sidley & Austin, special counsel for the Assignee and the Investor named in the Finance Agreement, addressed to the Assignee, to the effect that (i) the Finance Agreement, assuming the due authorization, execution and delivery thereof by the Investor, has been duly authorized, executed and delivered and is a legal, valid and binding instrument; (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument enforceable in accordance with its terms; (iii) this Assignment has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument; (iv) the Assignee is vested with all the rights, titles and interests of the Builder purported to be assigned to the Assignee by this Assignment; (v) the Assignee is vested with a valid, perfected security interest in the units of the Equipment; (vi) the Lease has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument enforceable in accordance with its terms; (vii) the Lease Assignment has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument; (viii) the Assignee is vested with all the rights, titles and interests of the Vendee purported to be assigned to the Assignee by the Lease Assignment; (ix) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of the Finance Agreement, the Conditional Sale Agreement, this Assignment, the Lease or the Lease Assignment, except the approval of the Securities and Exchange Commission (hereinafter called the S.E.C.) under the Public Utility Holding Company Act of 1935, as amended (hereinafter called the 1935 Act), which approval has been duly granted and is in full force and effect; (x) the Conditional Sale Agreement, this Assignment, the Lease and the Lease Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303 (1978) and no other filing or recordation is necessary for the perfection of the rights of the Assignee in any state of the United States of America or in the District of Columbia; (xi)

registration of the Conditional Sale Agreement, this Assignment or the certificates of interest delivered pursuant to the Finance Agreement is not required under the Securities Act of 1933, as amended, and qualification of an indenture with respect thereto is not required under the Trust Indenture Act of 1939, as amended; and (xii) the opinions delivered to the Assignee pursuant to subparagraphs (f) and (g) of this Section 5 have been examined by and are satisfactory to such counsel in scope and form and may be relied upon by the Assignee, and covering such other matters as may reasonably be requested by the Assignee;

(f) An opinion, dated such Closing Date, of Isham, Lincoln & Beale, counsel for the Lessee, addressed to the Assignee, the Builder and the Vendee, to the effect set forth in clauses (i) through (xi) of subparagraph (e) above and to the effect that (i) the Finance Agreement, the Conditional Sale Agreement, this Assignment, the Lease and the Lease Assignment have each been duly authorized, executed and delivered by the Vendee and, assuming the due authorization, execution and delivery of the Finance Agreement by the Investor named therein, each is a legal, valid and binding instrument and, in the case of the Conditional Sale Agreement and the Lease, enforceable against the Vendee in accordance with their respective terms; (ii) the Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business as a foreign corporation and is in good standing under the laws of the States of Arkansas, Louisiana, Nebraska and Texas, and has full corporate power and authority and legal right and possesses all licenses and permits necessary to execute, deliver and perform the Finance Agreement, the Conditional Sale Agreement, the acknowledgement hereto and the Lease and to own or lease its properties and to carry on its business and operations as now conducted; (iii) the Lessee has the legal right to operate as a public utility in the States of Louisiana, Texas and Arkansas; (iv) no approval of the Interstate Commerce Commission, the Federal Power Commission, the S.E.C., the Arkansas Public Service Commission, the Louisiana Public Service Commission or the Public Utility Commission of Texas or any other governmental authority is necessary for the valid execution and delivery by the Lessee of the Finance Agreement, the Conditional Sale Agreement, the

acknowledgement hereto or the Lease, except approval of the S.E.C. is required under the 1935 Act, which approval has been duly granted and is in full force and effect; (v) neither the acquisition or ownership of, or granting the security interest to the Assignee in, the Equipment by the Vendee nor the leasing thereof to the Lessee pursuant to the Lease shall cause any of the Vendee or the Assignee or the Investor to be deemed a public utility in Louisiana, Texas or Arkansas, or any of them to become subject to the 1935 Act or the Federal Power Act, as amended; (vi) neither the execution and delivery of the Finance Agreement, the Conditional Sale Agreement, the acknowledgement hereto or the Lease, nor the consummation of the transactions therein contemplated or the fulfillment of or compliance with the terms thereof, will conflict with or result in a breach of any of the terms, conditions or provisions of the Certificate of Incorporation or By-laws of the Lessee or, to the best knowledge of such counsel, of any order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, or of any agreement or instrument to which the Lessee is now a party or is bound; (vii) to the best knowledge of such counsel, no mortgage, deed of trust, credit agreement, contract, indenture, lien or other agreement or instrument of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property (or interests therein) of the Lessee now attaches or hereafter will attach to any units of the Equipment in such Group, or any Replacement Unit, or in any manner affects or will affect adversely the Vendee's or the Assignee's right, title and interest in such units, other than such liens as may attach to the rights of such corporation under the Conditional Sale Agreement and the Lease; (viii) the Finance Agreement, the Conditional Sale Agreement, the acknowledgement hereto and the Lease, assuming the due authorization, execution and delivery of the Finance Agreement by the Investor named therein, have been duly authorized, executed and delivered by the Lessee and each is a legal, valid and binding instrument and enforceable against the Lessee in accordance with its terms; (ix) to the best of such counsel's knowledge, the Lessee is not in default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Lessee is a party or by which the Lessee may be bound; and (x) to the best of such counsel's

knowledge, there are no legal or governmental proceedings pending (except as described in the Prospectus of the Lessee dated August 8, 1978) to which the Lessee is a party or of which any property of the Lessee is the subject which individually or in the aggregate are material and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others; and

(g) An opinion, dated such Closing Date, of Carroll, Hartigan & Hillery, Ltd., counsel for the Builder, addressed to the Assignee, the Vendee and the Lessee, to the effect that (i) the Builder is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to own or lease its properties and to carry on its business as now conducted; (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Builder and, assuming the due authorization, execution and delivery thereof by the other parties thereto, is a legal, valid and binding instrument enforceable against the Builder in accordance with its terms; (iii) this Assignment has been duly authorized, executed and delivered by the Builder and, assuming the due authorization, execution and delivery hereof by the Assignee, is a legal, valid and binding instrument enforceable against the Builder in accordance with its terms; (iv) the Assignee is vested with all the rights, titles and interests of the Builder purported to be assigned to the Assignee by this Assignment; and (v) the Assignee is vested with a valid perfected security interest in the units of the Equipment in such Group and such units, at the time of delivery thereof under the Conditional Sale Agreement, were free from all claims, liens, security interests and other encumbrances (except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease).

In giving the opinions specified in subparagraphs (e), (f) and (g) of this Section 5, counsel may qualify any opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by the discretion of a court of equity, and by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinions specified in said

subparagraphs (e) and (f), counsel may rely as to the authorization, execution and delivery by the Builder of the documents executed by the Builder and, to the extent applicable, title to the Equipment at the time of delivery thereof under the Conditional Sale Agreement on the opinion of counsel for the Builder delivered pursuant to said subparagraph (g), as to the authorization, execution and delivery by the Vendee of the documents executed by the Vendee and, as to the authorization, execution and delivery by the Lessee of the documents executed by the Lessee on the opinion of counsel for the Lessee delivered pursuant to subparagraph (f).

The obligation of the Assignee hereunder to make payment for any Group of Equipment is hereby expressly conditioned upon the Assignee's having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available to make such payment. The Assignee shall not be obligated to make any of the above-mentioned payments at any time while an event of default or any event which, with notice, demand and/or lapse of time, would constitute an event of default shall have occurred and be continuing under the Conditional Sale Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 6. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee or the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 15 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 7. The Builder hereby:

(a) represents and warrants to the Assignee and the Vendee and their respective successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for good and valuable consideration; and, assuming the due authorization, execution and delivery thereof by the Vendee and the Lessee, the Conditional Sale Agreement is a legal, valid and binding agreement of the Builder enforceable against the Builder in accordance with its

terms and it is now in full force and effect without amendment thereto;

(b) agrees that it will from time to time and at all times, at the request of the Assignee or the Vendee or their respective successors or assigns, make, execute and deliver all such further instruments of assignment, title, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned, transferred and set over to the Assignee or intended so to be; and

(c) agrees that, upon request of the Assignee or its successors or assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 8. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303 (1978) and such additional rights arising out of the filing, recording, registering or depositing, if any, of the Conditional Sale Agreement or this Assignment as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded, registered or deposited and any rights arising out of the markings on the units of the Equipment.

SECTION 9. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of January 1, 1979 for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

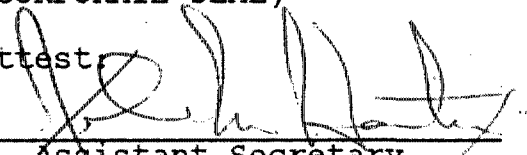
IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Assignment to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunder affixed and duly attested, all as of the date first above written.

THRALL CAR MANUFACTURING
COMPANY

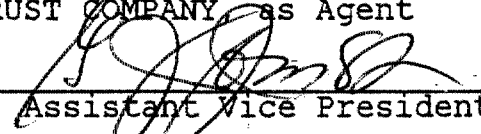
By 
Vice President

(CORPORATE SEAL)

Attest:


Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent

By 
Assistant Vice President

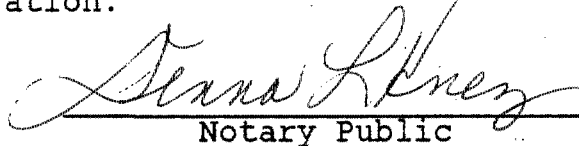
(CORPORATE SEAL)

Attest:


Corporate Trust Officer

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

On this 24th day of January, 1979, before me personally appeared S.D. CHRISTIANSON, to me personally known, who, being by me duly sworn, says that he is a Vice President of Thrall Car Manufacturing Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public


(NOTARIAL SEAL)

My commission expires

January 11, 1981

STATE OF MARYLAND)
)
CITY OF BALTIMORE) SS.

On this 5th day of February, 1979, before me personally appeared G. J. Johnston, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of Mercantile-Safe Deposit and Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

(NOTARIAL SEAL)

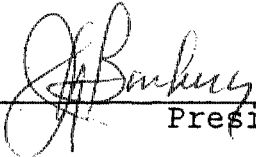
My commission expires

7-1-82

ACKNOWLEDGEMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of January 1, 1979.

CASON CAR CORPORATION

By 
President

SOUTHWESTERN ELECTRIC POWER COMPANY

By 
Vice President

SOUTHWESTERN ELECTRIC POWER COMPANY
CLOSING CERTIFICATE AND AGREEMENT

To the Parties Named in
Annex A Hereto

Gentlemen:

This Certificate is delivered to each of you in compliance with the requirements of the Agreement and Assignment dated as of January 1, 1979 between Thrall Car Manufacturing Company (the Builder) and Mercantile-Safe Deposit and Trust Company, as Agent (the Assignee), and as an inducement to and as part of the consideration for the units of equipment delivered on the date hereof and your execution and delivery of, as the case may be, the Finance Agreement dated as of January 1, 1979 (the Finance Agreement) among the Assignee, Cason Car Corporation (the Vendee), the investor named in Annex A to the Finance Agreement (the Investor) and the undersigned, Southwestern Electric Power Company (the Company), and the Conditional Sale Agreement, the Assignment, the Lease and the Lease Assignment (as defined in the Finance Agreement). The terms which are capitalized herein shall have the same meanings as in the Finance Agreement.

Section 1. Representations and Warranties.

The Company hereby represents and warrants to each of you as follows:

1.1. Corporate Organization and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of Delaware and is duly licensed or qualified and is in good standing as a foreign corporation in Arkansas, Louisiana, Nebraska and Texas; has all requisite power and authority and all necessary licenses and permits to own or lease and operate its respective properties and to carry on its business as now conducted; and is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction in which such qualification is necessary to carry out the terms of the Finance Agreement, the Lease and the Conditional Sale Agreement.

1.2. Financial Statements. (a) The balance sheet of the Company as of December 31 in each of the years 1973 to 1978, both inclusive, and the consolidated statements of

income and retained earnings and changes in financial position for the fiscal years ended on said dates prepared and certified by Arthur Andersen & Co. have been prepared in accordance with generally accepted accounting principles consistently applied and present fairly the financial position of the Company as of such dates and the results of operations and changes in financial position of the Company for such periods.

(b) Since December 31, 1978, there has been no change in the condition, financial or otherwise, of the Company as shown on the balance sheet as of such date except changes in the ordinary course of business, none of which, individually or in the aggregate, has had a materially adverse impact.

1.3. Full Disclosure. The financial statements referred to in Section 1.2 do not, nor does any written statement furnished by the Company to you in connection with the transactions contemplated by the Finance Agreement, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to the Company which the Company has not disclosed to you in writing which materially affects adversely the properties, business, profits or condition (financial or otherwise) of the Company.

1.4. Pending Litigation. There are no actions, suits or proceedings pending (except as described in the Prospectus of the Company dated August 8, 1978) or, to the knowledge of the Company, threatened, against or affecting the Company in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Company. The Company is not in violation of any order, writ, judgment, injunction, decree, determination or award of any court or governmental authority or arbitration board or tribunal.

1.5. Transactions are Legal and Authorized. The execution and delivery by the Company of the Finance Agreement, the Conditional Sale Agreement, the acknowledgement to the Assignment and the Lease and compliance by the Company with all of the provisions of said instruments --

(a) are within the corporate powers of the Company; and

(b) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, the Certificate of Incorporation or By-Laws of the

Company or any indenture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any liens or encumbrances on any property of the Company.

1.6. No Defaults. No Event of Default as defined in the Lease has occurred and is continuing and no event has occurred and is continuing which with the lapse of time, demand or the giving of notice, or both, would constitute an Event of Default as therein defined. The Company is not in default in the payment of principal or interest on any indebtedness for borrowed money or in default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an Event of Default thereunder.

1.7. Governmental Consent. Except for an order dated _____ and entered _____ of the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, as amended, no approval, consent, withholding of objection or other action on the part of any regulatory body, state, Federal or local, is necessary in connection with the execution, delivery and performance by the Company of the Finance Agreement, the Conditional Sale Agreement, the acknowledgement to the Assignment or the Lease or compliance by the Company with any of the provisions of any of said instruments.

1.8. Taxes. All Federal income tax returns required to be filed by the Company have been filed, and all taxes which are shown to be due and payable in such returns have been paid. The Federal income tax liability of the Company has been finally determined by the Internal Revenue Service and satisfied for all taxable years up to and including the taxable year ended December 31, 1974 and no material controversy in respect of additional income taxes due since said date is pending or, to the knowledge of the Company, threatened. The provision for taxes on the books of the Company is adequate for all open years, and for its current fiscal period.

SOUTHWESTERN ELECTRIC POWER COMPANY

By _____

Its _____

Dated: _____, 1979

ANNEX A

Thrall Car Manufacturing Company

Cason Car Corporation

Mercantile-Safe Deposit and Trust Company,
as Agent

The Greenwich Savings Bank